

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6171**

**BILL NUMBER:** HB 1403

**NOTE PREPARED:** Nov 15, 2002

**BILL AMENDED:**

**SUBJECT:** Cosmetologists.

**FIRST AUTHOR:** Rep. Smith V

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill provides that a person who knowingly or intentionally practices cosmetology without a license commits a Class B misdemeanor. It increases penalties for multiple convictions of practicing cosmetology without a license.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** This bill would require the Indiana Professional Licensing Agency to employ a sufficient number of inspectors, investigators, and clerks to enforce the article. Currently, the agency employs eight inspectors for the Cosmetology Board and has about 9,200 licensees. There would be no fiscal impact for this provision of the bill.

***Penalty Provision:*** Under current law, a person who performs acts authorized by a licence issued under the article without possessing a valid license is subject to a Class C infraction. Under the bill, a person who knowingly or intentionally practices cosmetology without a license commits a Class B misdemeanor. The offense would be a Class A misdemeanor if the person has one prior unrelated conviction, or a Class D felony for two or more prior convictions.

If offenders are sentenced for the Class D felony, the number of offenders in state correctional facilities could increase. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$25,087 in FY 2001. Individual facility expenditures ranged from \$18,520 to \$54,465. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately

\$1,825 annually, or \$5 daily, per prisoner. The average length of stay in DOC facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** *Penalty Provision:* Fines from misdemeanors and felonies are deposited in the Common School Fund, while infraction judgements are deposited in the state General Fund. The bill would result in more revenue for the Common School Fund and less revenue for the state General Fund. Currently, the maximum judgment for a Class C infraction is \$500, for a Class B misdemeanor is \$1,000, for a Class A misdemeanor is \$5,000, and for a Class D felony is \$10,000. In addition, under the bill, a minimum fine level would be established: \$250 for the Class B misdemeanor; \$500 for the Class A misdemeanor; and \$1,000 for the Class D felony.

Besides the issuance of fines, the sentencing court may assess a court fee if a guilty verdict is entered. The court fee for an infraction is \$70 while the court fee for a misdemeanor and a felony is \$120. The state receives 70% of the court fee that is assessed when a guilty verdict is entered and the fee is collected in a court of record and 55% if a case is filed in a city or town court.

**Explanation of Local Expenditures:** *Penalty Provision:* Local expenditures could increase if offenders are incarcerated in local jails instead of being only fined, or if more defendants are detained in county jail prior to their court hearings. A Class B misdemeanor is punishable by up to 180 days in jail and a Class A misdemeanor is punishable by up to one year in jail. The average daily cost of housing an offender in jail is reported to be \$44. There is no term of imprisonment for an infraction.

**Explanation of Local Revenues:** *Penalty Provision:* Local governments could receive additional revenues from any court fees that are collected for cases that were infractions and are now misdemeanors or felonies. If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Department of Correction.

**Local Agencies Affected:** Trial courts; local law enforcement agencies.

**Information Sources:** Indiana Sheriffs Association, Department of Correction.

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